

**MINUTES OF THE REGULAR MEETING OF THE  
WASHINGTON STATE TRANSPORTATION COMMISSION  
June 16 & 17, 2004**

The regular meeting of the Washington State Transportation Commission was called to order at 9:00 a.m., on June 16, 2004, in Room 1D2, of the Transportation Building in Olympia, Washington.

Commissioners present at the meeting were: Chair Davis, Ed Barnes, Elmira Forner, George Kargianis, A. Michèle Maher, Dan O'Neal and Dale Stedman.

**APPROVAL OF MINUTES**

Approval of the April 15 & 16, 2004 minutes were deferred to the July 14 & 15, 2004 meeting.

**WSDOT 2005-07 OPERATING AND CAPITAL BUDGET REQUEST**

Bill Ford, Chief, Budget Services, presented the 2005-07 Current Law Operating and Capital Budget. He explained that the outcome of the presentation is expected to provide direction for the Department's continuing development and communication of the budget, and the associated ten-year financial plan for submittal to the Office of Financial Management on or before September 1, 2004.

Amy Arnis, Deputy Director, Strategic Planning and Programming, provided a pro forma update. As the budget is developed, funding assumptions will be refined to ensure that all accounts supporting the Department budget and ten-year plan are balanced. She explained the differences in this budget proposal in comparison to previous versions. There will be adjustments made for the Tacoma Narrows Bridge and Hood Canal Bridge. The Hood Canal Bridge is a significant portion of the budget, and a piece of the current budget that will be re-appropriated, where funds will not be spent in 2003-05, but will be spent in 2005-07.

Commissioner Maher asked if pre-existing funds are already allocated, and anticipate re-allocation with no projection of gas tax increase or decrease.

Ms. Arnis responded that pre-existing funds would include the 23-cent state gas tax. Whereas the 2003 transportation funding package is supported by the recent Nickel increase in the gas tax, as well as some other sources of revenue.

Secretary MacDonald explained the context and probable impacts of Initiative 883 "Reduce Traffic Congestion" plan. Initiative 883 declares road construction projects that reduce traffic congestion the top priority of the transportation system. Revenue from three existing taxes are redirected to a new account for congestion relief. The new account would capture 2.8 cents of the existing gas tax, 20 percent of existing gross weight fees, and about one third of

existing tax on vehicle sales tax. If the initiative were to go on the ballot, and adopted by the voters, it would require recasting of the budget.

Commissioner Stedman asked if it is normal to have a carryover of a substantial amount of capital funds each biennial period.

Ms. Arnis explained that the Hood Canal Bridge Project resulted in carryover funds which will need to be reappropriated in the next biennium.

**Department staff provided an overview of each operating program and any associated budget requests for the 2005-07 biennium.**

John Sibold, Director, Aviation Division, responded to Commissioner questions regarding aviation funding.

Commissioner Maher inquired if there is any expected federal funding for airports.

Mr. Sibold responded that there may be additional grants from the Federal Aviation Administration.

Commissioner Forner inquired if homeland security issues have effected general aviation.

Mr. Sibold responded that general aviation is not mandated on security issues, but the Department provides a small grant for security improvements to airports with security plans in place.

Judy Giniger, Director, Public Transportation and Rail Division, provided an overview of grant programs and allocation of program funding.

Commissioner Maher inquired if there was a revenue source for grant fund.

Ms. Giniger responded that the grant funding comes from the multi-modal funding.

Chair Davis asked what portion of the budget goes to paying a partial cost of Amtrak operations.

Ms. Giniger responded that funding is included in the rail operating budget.

Commissioner Forner asked if the Legislature took into consideration escalation and growth in the program.

Ms. Giniger responded that the 10-year program for public transportation established grant programs. The 2003 package expanded special needs, rural mobility, and brought back revenue equity. She explained that the possibility of transportation improvements for the Olympic Games were not considered in the current budget.

Chris Christopher, State Maintenance Engineer, briefed the Commission regarding highway preservation and maintenance.

Commissioner Maher asked about program structure change, and the management responsibility and organizational reporting structure move.

Mr. Christopher stated that it was a transfer of the Motor Carrier Services, permitting of oversized loads from the Maintenance Program to Traffic Operations Program.

David Pope, Toll Systems Manager, briefed the Commission regarding Tacoma Narrows Bridge toll operations and maintenance budget.

Chair Davis requested that toll operation detail be provided to the Commission in the future.

Commissioner Barnes stated that he has concerns regarding the consideration of future tolling on other bridges.

Commissioner Forner questioned bond payments and early payoff of the debt.

Ms. Arnis stated that it is difficult to determine. The law states that the toll will be removed once the debt is repaid.

Chair Davis stated that the final budget submittal should include efficiency measures.

Toby Rickman, State Traffic Engineer, provided an overview of the Highway Safety Program.

Commissioner Barnes expressed his concerns regarding semi truck recap debris on highways. He stated that there should be a stringent inspection process in place.

Jerry Ellis, Director, Transportation Economic Partnerships, provided an overview of the programs current issues.

Commissioner Barnes commented that the Commission should play a larger role in public/private partnerships.

Sam Kuntz, Chief Financial Officer, WSF, provided an overview regarding ferry operations and capital programs.

Commissioner Maher inquired if there is an index for fuel cost forecasting.

Mr. Kuntz responded that yes there is an index utilized for fuel cost forecasting.

Commissioner Stedman asked if there are fuel contracts.

Mr. Kuntz responded that yes there are fuel contracts in place.

Ron Niemi, Manager, Facilities Planning and Operations, provided an overview of the Facilities Operating Program.

Commissioner Stedman asked what the Department's potential cost of the Palermo well fields cleanup would be.

Mr. Niemi responded that the worst-case cost would be \$11 million. Cost to date is \$50 thousand.

Commissioner Stedman asked what has currently been spent on litigation costs.

Mr. Niemi responded that the bulk of the work has been technical, but did not have an exact number on litigation costs.

Chair Davis asked when funding would be requested for headquarters building maintenance cost.

Mr. Niemi responded that it would be in this biennium.

Charlie Howard, Director, Strategic Planning and Programming, provided an overview of transportation planning, data, and research programs budget request.

Rich Ybarra, Director, Finance and Administration, provided an overview of budget requests for Accounting Services, Administrative Services, Budget Services, Human Resources, and Information Services.

Commissioner Forner asked for clarification of injured worker costs. She also asked for risk management costs incurred per biennium.

Mr. Ybarra explained that injured worker costs are not included in risk management. He stated that he would provide her with the risk management information.

Commissioner Maher inquired about in-house technology.

Mr. Ybarra responded that current technology (Legacy) does not support additional accountability requirements. Mandatory systems upgrade funding is requested in the budget.

Chair Davis inquired about previous funding that was allocated to systems upgrades.

Mr. Ybarra responded that the funding had been reallocated.

Commissioner Forner commented on providing accurate data. She stated that adequate information systems are necessary for accurate reporting.

Chair Davis stated that the Department must move forward with technology upgrades.

**Department staff provided an overview of each capital program and any associated budget requests.**

Kathleen Davis, Director, Highways and Local Programs, provided an overview of Local Programs 2005-07 budget request.

Commissioner O'Neal asked if local freight projects are accrued through FMSIB. Mr. Niemi provided an overview of capital facilities budget request.

Commissioner O'Neal asked how the decision between leasing and purchasing a building is determined.

Mr. Niemi explained that it is cost of renovation and leasing in comparison to building a new facility that is owned by the Department.

Commissioner O'Neal asked if the Department takes into consideration buildings that it does not need.

Mr. Niemi responded that yes all options are considered.

Sam Kuntz, Chief Financial Officer, WSF, provided an overview of the WSF capital program.

Commissioner Maher asked for more detailed information on the ferries construction, information technology, and highway construction budget. She asked what the \$15.7 million in unanticipated receipts that are not included in 2003-05 budget.

Mr. Kuntz responded that the majority was security grants.

Commissioner Barnes asked if there are any additional costs incurred as a result of security requirements

Mr. Kuntz responded that yes, but there is a cost difference in new-built ferries and retrofitting existing ferries.

Commissioner Forner asked why Coleman Dock was not mentioned in improvements or replacements.

Mr. Kuntz explained that Coleman Dock remodeling is funded. The current budget request does include funding for the project. Budget changes will be further out than 2003-05.

Commissioner Kargianis asked if federal participation is expected.

Mr. Kuntz responded that yes there are federal funds confirmed.

John Conrad, Assistant Secretary, Engineering and Regional Operations, provided an overview regarding the Highway Construction Program capital budget.

Chair Davis asked if the assumed funding level would allow the Department to catch up on asphalt pavement repair by the end of the 2007-09 biennium.

Mr. Conrad responded yes. The money is spent where the needs are.

Commissioner O'Neal asked if concrete wears out quicker than asphalt.

Mr. Conrad responded that asphalt has a lesser life span than concrete.

Mr. Conrad explained the Hood Canal Bridge's impact on the Bridge Preservation Program.

Commissioner Kargianis asked if federal funding is being used on the project.

Mr. Conrad responded that a significant amount of federal bridge replacement funding is being used.

Commissioner Kargianis asked if there is a basis for the federal funding shortfall, and if so, can there be additional federal funds sought.

Mr. Conrad responded that individual circumstances are taken into consideration.

Commissioner Stedman asked if there are requests for noise wall replacements.

Mr. Conrad responded that noise wall installation is depended on decibel levels.

Commissioner O'Neal asked what the difference is between maintenance and preservation are, and why is there a distinction.

Mr. Conrad deferred the question to the WTP presentation.

***It was moved by Commissioner Maher, and seconded by Chair Davis that the Department proceed with the 2005-07 Budget proposal draft. The motion passed unanimously.***

#### **WASHINGTON TRANSPORTATION PLAN WORKSHOP**

Charlie Howard, Director, Strategic Planning & Programming, provided an overview of

system preservation needs for the next decade. He explained that preservation needs tend to increase as the assets grow older. As a result of neglect or deferral of preservation, the asset loses its value, and the costs to recapture it spiral. Preservation maintenance activities must be funded if there is to be a sound foundation for existing assets.

Mr. Howard outlined the need for structure preservation, repair and replacement. He explained three pavement types and their specific performance life expectations. There are other facilities that require preservation such as electrical, drainage, unstable slopes, rest areas and weigh stations.

Other investments that need to be examined are ferry vessels and terminals. The growing dependence on the ferry system underlines the importance of continued investment in preservation of the system. Washington's aviation system needs statewide preservation for pavement. Public transit requires equal investments to obtain buses and drivers. The Washington rail system requires maintenance and preservation work for long-term preservation.

Preservation needs are large and current revenue has not been increased since 1991 and is falling short of meeting the necessary preservation needs.

### **City and County Preservation Needs**

Scott Merriman, Washington Association of Counties, provided a presentation on county preservation needs. He explained the diversity of the transportation system within Washington counties. Counties need additional program funding for preservation, maintenance, safety improvements, construction and local freight improvements in order to maintain and improve the system.

Jackie White, Association of Washington Cities, briefed the Commission regarding cities preservation needs. Cities depend heavily on their general fund dollars for transportation. She explained that there is increasing competition for those dollars to provide essential services such as fire and police. Cities need an additional ongoing flexible state revenue stream for essential transportation needs, local options, and increased or reinstated grant funding. Dedicated funding is needed for local freight mobility projects. There is also a need for expansion/creation of regional transportation authorities.

Kathleen Davis, Director, Highways & Local Programs, provided a briefing on preservation needs for deficient bridges and structures in cities and counties. She explained that there are no funding sources for bridges and structures less than 20 feet in length, and a preservation backlog is developing. Pedestrian and bicycle facilities on or near roadways also require maintenance. Cities have no dedicated revenue source for preservation and maintenance of those facilities. The Department's Small City Pavement Preservation Program has been discontinued. Counties have preservation programs, but they do not provide sufficient funds to keep up with increasing needs.

## **SECRETARY'S REPORT**

Doug MacDonald, Secretary, Department of Transportation, thanked Commissioner Kargianis for his six-year tenure as a Transportation Commissioner. He welcomed Commissioner Ruth Fisher to the Commission effective July 1, 2004.

Mr. MacDonald presented service recognition awards to Department staff. He shared that the Lewis & Clark Bridge deck replacement has been completed under budget and earlier than expected. He also shared information regarding various stages of other projects.

## **ENVIRONMENTAL PERMIT STREAMLINING UPDATE**

Carol Lee Roalkvam, Compliance Branch Manager, provided an overview of the Environmental Documentation Program (EDP). EDP is involved in the application of the federal NEPA and state SEPA environmental review processes to transportation projects requiring an Environmental Impact Statement (EIS) or an Environmental Assessment. More specifically, the EDP provides services to WSDOT Regions, Modes, Highways and Local Programs offices and local transportation agencies. She explained that the Department is currently reviewing environmental documents for their usability. There are anticipated products that will be used to create new writing style guidelines.

Department analysts will utilize these guidelines to create a baseline for environmental documents. A tool kit is being created for improving guidance in the use of reader friendly language and visuals.

Senator Swecker, shared highlights of TPEAC's accomplishments to date.

Megan White, Director, Environment Services Office, thanked Peter Downey, Manager, Environmental Permit Streamlining, for his contributions to TPEAC. She introduced Carrie Berry who will be assuming Mr. Downey's responsibilities. She went on to share a bit of TPEAC's background history. She explained programmatic permits and the activities covered by those permits.

Jason Smith, Team Lead, Multi-Agency Permitting (MAP), explained that the purpose of the MAP Team is to process environmental permits for the Department's transportation projects while protecting natural resources. Participating agencies hope to demonstrate the efficiency and cost effectiveness of this new concept of governmental cooperation. MAP's goal is to provide a thorough, expedited review of permit applications to ensure that transportation projects are consistent with environmental regulations and agency agreements and policies.

## **WASHINGTON STATE FERRIES QUARTERLY REPORT**

Mike Thorne, Chief Executive Officer, and Sam Kuntz, Chief Financial Officer, Washington State Ferries (WSF), provided an update on the current business operations and financial performance for WSF for the quarter ended March 31, 2004.

Mr. Thorne provided a briefing on operating and capital expenditures compared to budget. He gave an update on WSF's strategic plan implementation and securing federal funds.

Commissioner Fisher asked if ridership loss is being tracked in comparison to food service provided. Mr. Thorne responded that there is not an easy method of tracking ridership and food service. However, trends indicate that ridership is greater than planned. Assumptions could be tracked year after year, and then data could be collected that would provide an assumption of how much ridership loss is due to economics or dissatisfaction with the lack of food service. WSF is offering food service at the Anacortes terminal for passengers in route to the San Juan Islands. Within the Coleman Dock facility there will probably be food service.

Mr. Kuntz provided an update on the status of funding earmarks. He outlined the current level of funding for fuel and stated that through the end of May 2004 there is a \$2 million dollar shortfall, even with the supplemental funding. The current forecast predicts that at the end of the biennium there will be an \$11.7 million dollar shortfall. He explained that farebox recovery should be at 80 percent recovery, which would partially offset fuel consumption cost.

### **AGENCY REQUEST LEGISLATION**

Don Griffith, Director, Legislative and Strategic Management Relations, provided an overview of potential agency request legislation.

Potential issues for the 2005 Legislative Session would include: Administrative/Legal issue relating to the Department's surplus property disposal with Tribes; project delivery, 2005-07 budget, adjustments to project lists/program delivery; highway operational issues, SR 167 HOT Lanes Pilot Project, HOV fines, oversize/overweight movements technical update; WSF, Passenger Only Program, food service, and Joint Task Force on Ferries; public transportation and rail issues, monorail and Sound Transit; freight, heavy haul corridors and FMSIB Program; governance, elimination of Commission, and confirmation of members. He outlined the timetable for developing and formalizing agency request legislation. Formal Commission action on the Department's agency request package will be requested at the Commission's August 18 & 19, 2004 meeting.

### **PUBLIC AND LEGISLATOR COMMENT PERIOD**

John Fratt, Port of Vancouver, thanked the Commission for the Vancouver, local Commission meeting May 26, 2004. He commented that he felt that the meeting was very informational and well attended.

Gordon Baxter, Inland Boatman's Union, shared information regarding galley service on ferries.

David Freiboth, Inland Boatmans Union, stated that he feels there has been a lack of due diligence regarding galley service on ferries. He shared his disappointment with the galley service Request For Proposal (RFP) process.

## **HOW WASHINGTON STATE STACKS UP**

Dan Mathis, Division Administrator, Federal-Aid Division, Federal Highway Administration, briefed the Commission on various aspects of Washington's transportation system compared to other states.

Mr. Mathis briefed the Commission on Washington State's highway pavement conditions in comparison to other states. He explained that Washington's pavement ride and bridge deck quality is acceptable on a national comparison. He also provided positive feedback on Washington's eco- system initiative, safety, deficient bridge decks, context sensitive solutions/design, 511 deployment status, integrated ITS deployment, and highway fatalities.

## **WASHINGTON COMMERCE CORRIDOR PROJECT UPDATE**

Barbara Ivanov, Director, Freight Strategy & Policy, provided an overview on the Washington State Commerce Corridor Study. She explained that the corridor would run from the Canadian border south to Lewis County.

Arno Hart, Consultant, Wilbur Smith Associates, explained that the corridor would be a passenger and truck transportation alternative route to I-5. Some of the concerns are whether the corridor can be built, the degree of private sector participation, development cost, community and environmental impacts, and legal and legislative barriers. Potential components of the corridor would be truck freight, rail freight, passenger car, passenger rail, a non-motorized trail, and utilities. The study is conceptual only. No immediate project is expected from this study.

## **URBAN CORRIDORS OFFICE UPDATE**

Dave Dye, Administrator, Urban Corridors Office (UCO), provided an update on Regional Transportation Investment District (RTID) funding decisions. RTID is currently developing a work plan that will include project cost estimates in preparation for the legislative session. He explained that the uncertainty of ballot issues effect RTID's future, which has a significant impact on projects in the Urban Corridors Office.

## **COMMISSIONER REPORTS**

Commissioner O'Neal reported that he attended FMSIB and PSRC meetings. He also attended Priorities of Government (POG) sessions.

Commissioner Forner reported that she attended a WSF Cleaner Fuels news conference. She also attended a North Central RTPO, and a Wenatchee Valley Council meeting.

Commissioner Maher reported that she attended the WSF Cleaner Fuels press conference. She also attended a Tri Cities RTPO meeting, and a light rail meeting.

Commissioner Barnes reported that he attended a Southwest RTC meeting.

Commissioner Davis reported that he met with Mary McCumber. He also met with the Greenway Group. He met with Senator Horn, Representatives Chopp, Clibborn and Jarrett for general discussion and planning. He also attended an SR 520 open house.

#### **SELECTION OF CHAIR AND VICE CHAIR FOR 2004-05**

Commissioner Forner nominated Commissioner Stedman be nominated as Commission Chair and Commissioner O'Neal be nominated as Commission Vice Chair for fiscal year 2004-05.

*It was moved by Commissioner Davis, and seconded by Commissioner Barnes to appoint Commissioner Stedman as Commission Chair, and appoint Commissioner O'Neal as Commission Vice Chair for the fiscal year 2004-05. The motion passed unanimously.*

The Commission meeting adjourned at 4:15 p.m., on June 17, 2004.

#### **WASHINGTON STATE TRANSPORTATION COMMISSION**

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DALE STEDMAN, Chair

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DANIEL O'NEAL, Vice-Chair

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EDWARD BARNES, Member

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AUBREY DAVIS, Member

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ELMIRA FORNER, Member

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RUTH FISHER, Member

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A. MICHÈLE MAHER, Member

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DOUGLAS MACDONALD, Ex-Officio Member  
Secretary of Transportation

ATTEST:

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JENNIFER ZIEGLER, Administrator

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DATE OF APPROVAL